

S U M M A R Y

- P. 2 BORDERS: There are limits to the patience of Euro-MPs
Community travellers face a good deal of harassment at the European Community's internal borders.
- P. 4 TRANSPORT: The European driving licence
Not all EC countries have sent the European Commission a copy of their projected driving licence, based on the model contained in a Community directive.
- P. 5 CUSTOMS: Hold-up at the customs post
No green channel for a busful of German school children.
- P. 6 REGIONAL AID: More than 10,000 jobs created or preserved ...
... and new investments in infrastructure, thanks to the fourth allocation of grants from the ERDF.
- AGRICULTURE: From hams to "electronic" slaughterhouses
The first allocation of grants for 1987 from the EAGGF.
- P. 7 ENVIRONMENT: Working together for a cleaner, greener land
Four competitions are launched in the context of the European Year of the Environment.
- P. 8 DEVELOPING COUNTRIES: Food aid under close supervision
The European Commission takes charge of operations itself.
- P. 9 MONEY: Brussels will pay in ECU
The Commission steps up its advocacy of the ECU which, although the world's sixth currency, has yet to take off.

BORDERS: There are limits to the patience of Euro-MPs

Community travellers face a good deal of harassment at the European Community's internal borders.

The European Commission has been flooded with questions from numerous Euro-MPs, exasperated, like their constituents, by niggling checks, endless formalities and other forms of harassment to which Community nationals are subjected when crossing from one member state into another. The list is very long and includes the British Euro-MPs Andrew Pearce, Richard Cottrell and Basil de Ferranti, their Irish colleague Ray MacSharry, as well as that sworn enemy of all European customs and other barriers, the German Dieter Rogalla.

The responsibility for fielding this barrage has fallen on Lord Cockfield, a Commission vice-president with responsibility for customs problems. He has bravely confronted the angry Euro-MPs - with whom the European Commission is in total agreement in many cases, even if it is obliged to remind them that, unhappily, certain dispositions proposed and recommended by it, and occasionally by the Council of Ministers also, are not yet binding on the member states. Others are still under study by the Council, and the Commission can only hope the necessary directives will be quickly adopted.

Thus the provision of separate channels at ports and airports for Community nationals depends at present on the goodwill of the national administrations. So far only four countries have introduced such channels at their main airports: Britain, France, Germany and Italy. After a good deal of prodding Belgium has recently joined their ranks, although a separate channel has been introduced only for a one-year trial period.

As for the recommendation that identity checks be conducted on a spot basis, it is not binding and the Commission, even while deploring it, cannot prevent member states from checking all passports. Like everyone else, Lord Cockfield and his colleagues know that the creation of a People's Europe requires the elimination of internal frontiers and, meanwhile, a more flexible attitude on the part of customs and immigration officials; but they must wait for the Council to adopt a draft directive of 23 January 1985. The adoption of this text will put an end to systematic checks and the European Commission can then undertake campaigns aimed at customs officials, frontier police, etc.

Another vexatious problem often raised by the Euro-MPs deals with checks as well as the clearance of goods through customs on trains. The Commission shares their views - but once again it does not always dispose of a regulation which would compel member states to either abolish, or at the very least reduce, such checks. The Commission has protested even at the use of the expression "customs clearance", which it regards as inexact, given that the formalities involved are of a fiscal and administrative nature. It would at the very least like to see the term abolished. Until recently Luxembourg customs officials would compel passengers sitting in the dining car to return to their compartments; today they allow them to remain - provided they have their luggage with them.

Still on the subject of goods, the national administrations continue to impose a duty-free ceiling on purchases by travellers, because of differences in the levels of VAT and excise duty from one member state to another. With the completion of the single market in 1992, which provides for the elimination of tax frontiers, the problem raised by some Euro-MPs will disappear by itself and individuals will be able freely to import goods purchased in another Community country.

As for parcels sent by post, the outlook is identical. This is also the case as regards customs formalities in connection with intra-Community trade. The CADDIA programme should facilitate such formalities because it will provide the computer infrastructure needed for the efficient operation of the customs union. The CD element of the programme relates especially to customs requirements.

Much remains to be done to ensure the success of the single market in 1992. But one man's meat ... It is not surprising, therefore, to find Euro-MPs who are preoccupied by the negative effects which the disappearance of the Community's internal frontiers will have on the jobs both of customs officials and of those engaged in the various activities that are associated with customs posts - catering, trade, clearance of goods, etc. A French Euro-MP, Jean-Paul Bachy, in fact has asked the Commission how it intends to deal with this problem - and with the risk of an increase in not only fraudulent traffic in drugs and currencies, for example, but also terrorism and illegal immigration.

The European Commission is fully aware of the implications of doing away with customs posts. But it is confident that frontier regions can only benefit from the increased trade and cross-frontier contacts. The offer of alternative employment to customs officials is in the domain of their national administrations. As for the fight against terrorism, drugs and illegal immigration, the Community's recent experience has shown that it requires, above all, cooperation between the member states and greater vigilance at the Community's external borders.

TRANSPORT: The European driving licence

Not all EC countries have sent the European Commission a copy of their projected driving licence, based on the model contained in a Community Directive.

Only eight European Community countries have sent the European Commission, for an opinion, a copy of the European driving licence they plan to introduce under the provisions of the Directive adopted by the Council of Ministers in December 1980.

Ireland and Italy have yet to do so, as have the two newest member states, Spain and Portugal. The Commission has approved seven of the licences but has reservations about the one submitted by Britain.

The German Euro-MP, Dieter Rogalla, who raised the problem in a written question to the Commission, has also stressed the difficulties created by insurance companies, the police and customs services in some member states for drivers whose driving licence was not issued by the authorities of the country in which the vehicle was registered.

For the Transport Commissioner, Stanley Clinton Davis, these difficulties have more to do with the registration of the vehicle than the driving license. According to present Community law, a person who has his normal residence in one member state may not use a vehicle registered in another - mainly for tax reasons.

CUSTOMS: Hold-up at the customs post

No green channel for a busful of German school children.

For want of 300 Belgian francs in local currency a bus carrying German schoolchildren home after a trip to London was stopped towards midnight at the Belgian frontier. The intractable Belgian customs officials refused to accept either sterling or German marks, currencies in which they clearly had no confidence. Even an offer to pay by Eurocheque (backed up with the necessary bank card) was disdainfully rejected.

The children obviously could not enter Belgian territory as long as the sum due had not been paid. They could return to France, of course, to wait until the banks opened.

Which is what they might have been obliged to do but for some kind-hearted travellers, who exchanged the childrens' pound notes against Belgian francs.

All's well that ends well, but for an indignant German Euro-MP, Meinolf Mertens, who wrote to the European Commission. Its Vice-President, Lord Cockfield, deplored the incident but admitted the Belgians had acted within their rights.

The European Commission has proposed changing the relevant directive to allow payment to be made by a cheque, drawn in the currency of the member state in question, and guaranteed by a bank ... until such time as other Community currencies can be used, as seem likely in the near future, even though the Council of Ministers has already rejected a proposal along these lines.

REGIONAL AID: More than 10,000 jobs created or preserved ...

... and new investments in infrastructure, thanks to the fourth allocation of grants from the ERDF.

New equipment, from rolling stock for the underground in Berlin to a power station in Madeira, as well as investments in industry, which should create or save over 10,000 jobs - such are the prospects opened up by the fourth allocation of grants for 1987 from the European Regional Development Fund (ERDF), amounting to nearly ECU 393m.* and covering seven of the 12 European Community countries.

More than ECU 53m. will help finance investments in industry, craft industries and the services sector. This should result in the creation of nearly 3,800 new jobs and the preservation of another 6,600. Most of the projects are in Italy and involve 6,600 jobs, and Germany, where some 3,300 jobs are at stake. The fourth allocation will also help finance industrial investments in Ireland and the U.K.

Nearly ECU 340m. will finance investment projects in six countries. The least well-off - Spain, Greece and Portugal - will receive the lion's share. ERDF grants will help improve the telecommunications sector in Greece. The totality of the grants for Spain, and a large part of those for Portugal, will be used to improve the road network in these two countries, while the rest will be devoted to the construction of a power plant in Madeira.

The fourth allocation will also enable improvements to be made to the water supply system in the Wolverhampton area and help finance bypasses for Birmingham and Edinburgh.

AGRICULTURE: From hams to "eletronic" slaughterhouses

The first allocation of grants for 1987 from the EAGGF.

The manufacture of the famous Italian "San Daniele" hams and the computer-controlled cutting of pigmeat in Denmark are among the nearly 400 projects for the processing and sale of agricultural products to be accorded some ECU 123m.* in all of financial aid by the European Commission.

This aid, which will be shared among all European Community countries except Luxembourg, represents the first allocation for 1987 from the Guidance section of the European Agricultural Guidance and Guarantee Fund. It will also help finance the construction or extension of warehouses, auction halls and food processing plants.

* 1 ECU = UK£ 0.71 or IR£ 0.77.

ENVIRONMENT: Working together for a cleaner, greener land

Four competitions are launched in the context of the European Year of the Environment.

Municipalities in the European Community, and a few others, will be able to rival each other in tidiness, the safeguard of historic sites and buildings and "ecological" imagination. The fact is the European Commission has just announced the organization of four competitions, aimed at municipalities above all, in the framework of the European Year of the Environment, 1987.

The first of them is addressed to "clean towns" - i.e. to towns and cities that have interesting ways of rubbish collection and disposal and for processing or recycling wastes. The European Community Wastes Management Organization (ECWMO) is handling this competition at Community level, but there will be competitions at the national level also in all 12 European Community countries. Those wanting to take part should contact Mr Jackson at the European Community Wastes Management Organization, 10 Valebrook, Tunstale Road, Sunderland (Tyne & Wear) SR2 7HT, England, tel.: 91-5675187.

The second competition is designed for all villages and towns whose municipalities have succeeded in blending ancient buildings with modern ones. This competition is organised by the association, Europa Nostra, under the patronage of the American Express Company. Interested municipalities can write to Mr H. de Koster at Europa Nostra, 9 Buckingham Gate, London SWA E6JP, England. His telephone number is 1-8211171.

A special competition will reward "ecological" projects carried out jointly by two or more local or regional bodies at the level of municipalities, counties, the provinces, etc. This competition is organised by the Conseil des Communes et Régions d'Europe, 41 Quai d'Orsay, 75007 Paris (France). The person handling the competition is Mrs Gateau, and her telephone number is 1-45514001.

Finally, in six Community countries (Denmark, Germany, Greece, Ireland, Luxembourg and Portugal) the Conservation Foundation* will award five prizes per country to individuals, groups or organizations that have conceived or carried out projects which favour the environment. Each prize deals with one or more specific themes: greenery in the cities; nature in the countryside and on the coast; buildings; means of transport; reducing pollution and, finally, activities by those under 18. This competition was organised in other countries last year.

* Mr D. Shreeve, Conservation Foundation, 11a West Halkin St., London SW1X 8JL, England.

DEVELOPING COUNTRIES: Food aid under close supervision

The European Commission takes charge of operations itself.

Stories of large shipments of food aid which have spoiled while in storage or on the docks, and of shipments which have arrived too late to be of help to famine victims, are common. Hereafter, the risk of Community food aid being lost or going astray should be much less, thanks to a regulation adopted very recently by the European Commission and in force since last fortnight.

As from now it is the European Commission alone, and not the various bodies responsible to national governments as hitherto, which is responsible for all operations of destocking, transport and delivery of foodstuffs to the beneficiary countries.

The new regulations allow the Commission to call on specialists to check systematically every operation. These checks will apply not only to the smooth execution of each stage of the supply of food aid but also the quality and quantity of products distributed. What is more, the firms entrusted with the delivery of food aid will be considered responsible until its safe arrival at destination.

For the present these new rules apply only to foodstuffs originating in the European Community, amounting to some 800 actions each year. This year the distribution of these products to developing countries suffering from hunger will cost the Community budget some ECU 500m.*

As from now the European Commission is preparing a similar regulation, which would apply to foodstuffs originating in surplus Third World countries and distributed to countries suffering from famine with the financial help of the 12-nation European Community.

The European Commission proposed a reform of the Community's food aid programme a year ago, but it had to wait until December for a green light from the Council of Ministers before it could finalize the details of the reform, in accordance with the text adopted by the ministers.

Shipments of milk powder should arrive at their destination much more quickly now.

* 1 ECU = UK£ 0.71 or IR£ 0.77.

MONEY: Brussels will pay in ECU

The Commission steps up its advocacy of the ECU which, although the world's sixth currency, has yet to take off.

The market for ECU is reaching major proportions. ECU-denominated issues now amount to over 27,000m. on the international bond market, while there is a very active secondary market. Syndicated ECU loans are becoming commonplace and the total of bank loans and deposits in European currencies is approximately ECU 60,000m. Daily transactions in ECUs are now running at around ECU 10,000m.

The ECU has become an important currency for the world's financial markets, ranking immediately behind the U.S. dollar, deutschmark, yen, Swiss franc and pound sterling.

However, despite the ECU's obvious success, it seems to have made a fresh gain since last year. The rapid growth in ECU-denominated bonds has come to a stop, the use of the ECU is in decline in relation to other currencies, while a large part of intra-Community transactions is conducted in deutschmarks or other Community currencies - and even in American dollars.

In order to promote the use of the ECU the European Commission has decided to take the lead in encouraging its use. It plans to include in its proposals for modifying the European Community's financial regulations the principle that the Community's financial obligations and rights be expressed in ECUs. It has also instructed its own services to widen the use of the ECU by using it both as a means of payment and to express amounts.

More specifically, the Commission's departments have been instructed to ensure that the purchase of goods and services by Community institutions are expressed in ECU, as well as all contracts drawn up by them, such as those concluded with experts, for studies commissioned by Community institutions, etc.

The Commission will also submit proposals aimed at extending the full use of the ECU to payments made by the Community's structural funds, including its Regional and Social Funds and the Agricultural Guidance and Guarantee Fund. This will enable beneficiaries of Community aid, and those having contracts with the Commission, to hold ECU, thus extending the use of ECU-denominated bank accounts.

The ECU has reached a turning point and the Commission, with its substantial budget, can give it the impetus needed to transform it from a financial instrument into a genuine commercial currency.